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SUBJECT: U.S. - NIGERIA ENERGY AND CLIMATE ROUNDTABLE

REF: ABUJA 501

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¶1. (SBU) Per reftel request, the Department is pleased to inform Post that we would like to move forward with a proposed roundtable on energy and climate with the Government of Nigeria and the Nigerian National Petroleum Corporation (NNPC). EEB/ESC DAS Doug Hengel would be able to lead a delegation consisting of representatives from OES and the Department of Energy and other interested agencies. We propose the second half of May as possible timing for the roundtable. The Department requests that Post contact the GON to seek their agreement with the proposed topics and timing. The Department appreciates the work that Embassy Abuja has done to move this proposed roundtable forward.

¶2. (SBU) Background: The Nigerian government and NNPC (national oil company) have approached Embassy Abuja (reftel) about convening a roundtable discussion on energy and climate issues. Nigeria is one of the five largest oil exporters to the U.S., a significant supplier of natural gas to world markets, and produces a significant portion of sub-Saharan Africa's GHG emissions, most of which result from gas flaring, deforestation, and the country's dense urban population. The USG's strong interest in Nigeria as an energy supplier and Nigeria's importance and potential role in climate change negotiations make such a roundtable of great interest to both countries. In addition to climate change discussions, we plan to raise several areas of major concern to U.S. oil and gas investors within the broader meeting context, including proposed contract revisions, local content legislation, and sector restructuring.

¶3. (SBU) Please share the following topics with the GON to solicit their response:
The roundtable could focus on energy and climate policy issues building upon on-going Embassy consultations, including the following topics:
* Impact of the economic downturn on U.S. and world energy demand.
* Review of U.S. climate policies and UNFCCC negotiations.
* Nigeria's energy market strategy, including, as noted above, sector restructuring, contract revisions, local content legislation, (as appropriate) domestic energy pricing, prospects for additional LNG exports, specific policies to be used to increase oil production to 4 million b/d and outlook for Niger Delta production.
* Discussion of prospects to reduce gas flaring emissions.
* Nigeria's plans for expanding its electric power sector, including availability of natural gas for power generation.
* Nigeria's plans for mitigation and adaptation to climate change including progress in addressing deforestation. *
Development of alternative and renewable sources of energy in Nigeria, particularly in areas not presently served by its national power grid.

¶4. (SBU) Scenario: The one-day roundtable would include relevant government, agency and industry representatives

including the Nigerian National Petroleum Corporation (NNPC).

In addition to the roundtable, a day of bilateral discussions with relevant ministries could also be held, and possibly a day of meetings with energy companies in Lagos prior to the roundtable. The NNPC has suggested the roundtable be held in Abuja. We are considering the second half of May as possible timing. EEB/ESC DAS Doug Hengel would lead the USG delegation with representation from State/OES, the Department of Energy, and other interested USG agencies. Our objective is to encourage greater cooperation on issues of mutual interest.

15. (U) Department appreciates Post's assistance.

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